

# HOUSE BILL REPORT

## HB 2091

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### As Passed Legislature

**Title:** An act relating to industrial land banks.

**Brief Description:** Allowing counties planning under the growth management act to establish industrial land banks as permissible urban growth outside of an urban growth area.

**Sponsors:** By House Committee on Government Reform & Land Use (originally sponsored by Representatives Cairnes, Gardner, Linville and Reams).

**Brief History:**

**Committee Activity:**

Government Reform & Land Use: 3/3/97 [DP].

**Floor Activity:**

Passed House: 3/14/97, 92-0.

Senate Amended.

House Concurred.

Passed Legislature.

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### HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

**Majority Report:** Do pass. Signed by 10 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Sherstad, Vice Chairman; Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Bush; Gardner; Mielke; Mulliken and Thompson.

**Staff:** Kimberly Klaiber (786-7156).

**Background:** Under the Growth Management Act (GMA), each county and each city in counties that meet the GMA's requirements adopts a comprehensive plan that includes a list of elements and subjects set forth in the act. Counties and cities must include the following elements and subjects in a comprehensive plan: land use, housing, capital facilities plan, utilities, transportation, provisions designating the five types of critical areas, provisions designating the three types of natural resource lands, the goals and policies of the county's or city's shoreline master program adopted under the Shoreline Management Act, urban growth area designation, and a rural element designation. A comprehensive plan also may include other elements and matters.

Counties and cities must also adopt development regulations consistent with their comprehensive plan and must designate and protect critical areas, designate and conserve certain natural resource lands, and designate urban growth areas. Among other requirements, each urban growth area must permit urban densities and must include greenbelt and open space areas. An urban growth area may include territory that is located outside of a city only if that territory is already characterized by or is adjacent to an area characterized by urban growth or is designated as a new, fully contained community.

Counties planning under the GMA may establish a process for reviewing and approving proposals to site specific major industrial developments outside urban growth areas. Major industrial development means a master planned location for a specific business that requires a parcel of land so large that either no land is available within an urban growth area or the development is of a natural resource-based industry requiring a location near agricultural, forest, or mineral resource land.

The major industrial development is not for retail commercial development or multi-tenant office parks. The development may be approved outside an urban growth area in a GMA county if certain criteria are met.

In addition to specific major industrial developments, urban industrial land banks may be designated for major industrial activity outside urban growth areas. A county planning under the GMA that has a population greater than 250,000 and that is part of a metropolitan area that includes a city in another state with a population greater than 250,000 may establish a process for designating banks of no more than two master planned locations.

A master planned location may be included in the industrial land bank if certain criteria are met. Priority is given to locations that are adjacent to, or in close proximity to, urban growth areas. Land banks are not for retail commercial development or multitenant office parks.

**Summary of Bill:** The GMA's provisions relating to urban industrial land banks are amended. Any county planning under the Growth Management Act (GMA) may establish a process for designating and determining the allowed uses within industrial land banks. Industrial land banks may be established as urban growth outside of urban growth areas if certain criteria are met. A county may not designate more than two noncontiguous land bank locations, but each location may include multiple development sites.

An industrial land bank is defined as a location designated for one or more manufacturing, industrial, commercial, or high-tech businesses, and related office uses. The industrial land bank cannot be for the purpose of retail commercial development or multiple tenant office parks.

An industrial land bank may be designated at either of two locations: (1) a unique location or a location with unique physical characteristics; or (2) a location already characterized by some existing industrial or commercial development.

To designate an industrial land bank characterized by a unique location or a location with unique physical characteristics, the county must find that the location of the bank is unique or characterized by unique physical characteristics such as size or proximity to transportation, natural resources, or related industries, and that the necessary infrastructure to support the industrial land bank is available or can be provided by private or public sources. The requirements for designation of an industrial land bank characterized by a unique location are expanded; mitigation of transportation and environmental impacts is required, and the development must relate to the unique location or characteristics that were the basis for designation of the bank.

To designate an industrial land bank already characterized by some existing industrial or commercial development, the county must find that (1) after an inventory, no suitable location for the land bank is available within an existing urban growth area; (2) the industrial land bank is important to achieve documented state or county economic development goals; (3) the necessary infrastructure is available or can be provided in a timely manner; and (4) the industrial land bank location is characterized by some existing industrial or commercial development or is adjacent to an area characterized by that development.

A development proposal within either type of industrial land bank may be approved if adequate infrastructure is provided or applicable impact fees are paid, or both. A county must also assure that transportation impacts are mitigated. Buffers are to be provided between the industrial land bank and adjacent nonurban area. Environmental impacts must be mitigated in accordance with the State Environmental Policy Act (SEPA) and the GMA, and adverse impacts on designated agricultural, forest, and mineral resource lands must be mitigated. Comprehensive plan policies and development regulations must be established to ensure that urban growth will not occur in adjacent nonurban areas. Once an industrial land bank has been approved, development that

qualifies as an allowed use and that the county determines meets the necessary requirements may be located there.

Counties planning under the GMA may designate an industrial land bank on the land use map when the comprehensive plan is being adopted or as an amendment to the final comprehensive plan. Inclusion or exclusion of industrial land bank locations may be considered at any time.

These new requirements do not alter a counties responsibility to comply with SEPA.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The bill gives counties one more tool to allow them to designate adequate land and offers counties flexibility to provide jobs in rural areas. The proposal is moderate and allows industry to work with government. This is an important step toward more infrastructure. The bill is consistent with GMA goals and addresses a deficiency in the GMA. It encourages a collaborative city and county process.

**Testimony Against:** The bill does not address how land banks work, who decides what areas should be land banks, or who conducts the inventory. This bill will undo a study begun in 1995 that focused on how to site industrial facilities outside of urban growth areas, as the results of that study have not been fully discussed or implemented. There should be mandatory cooperation between ports and economic development agencies and greater coordination with the counties so there are no gaps.-

**Testified:** Representative Cairnes, prime sponsor (pro); Scott Hazlegrove, Association of Washington Business (pro); Greg Hanon, National Association of Industrial and Office Properties (pro); Sally Feldman, Washington Association of Realtors (pro); Dave Williams, Association of Washington Cities (pro); Eric Johnson, Washington Public Ports Association (pro); Paul Parker, Washington State Association of Counties (pro); Sarah Smyth, Skookum Lumber (pro); Scott Merriman, Washington Environmental Council (concerns); Mike Ryherd, 1000 Friends of Washington (con); Stan Biles, Department of Natural Resources (con); and Steve Wells, Department of Community, Trade and Economic Development (pro with concerns).